

25X1

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

SECRET-U.S.OFFICIALS ONLY

COUNTRY	Hungary	REPORT	
SUBJECT	Oil Production and Storage	DATE DISTR.	30 November 1954
DATE OF INFO.		NO. OF PAGES	5
PLACE ACQUIRED		REQUIREMENT NO.	RD
		REFERENCES	
This is UNEVALUATED Information			

25X1

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
 THE APPRAISAL OF CONTENT IS TENTATIVE.
 (FOR KEY SEE REVERSE)

1. Refineries.

a. Zalaegerszeg (4650 N 1651 E).

- (1) The refinery is located one or two kilometers south of Zalaegerszeg. The buildings were completed in 1953, but the plant equipment is not yet quite complete.
- (2) This is the only refinery of recent construction.
- (3) According to Béla Marsalkó, described as a research chemist of repute, research is being pressed forward on the most suitable methods for working up and utilizing crude from the Nagylengyel (4647 N 2153 E) wells.
- (4) A new pipeline, 30-50 km. long, connects Zalaegerszeg with the oil fields.
- (5) It was originally intended to build the refinery at Nagykanizsa (4727 N 1659 E). The plant there has meanwhile been converted for producing laboratory test tubes and lamp black. At this plant natural gas is being used as energy.

25X1

2. Pét.

- a. The oil refinery at Pétfürdő, which was built during the war, works up brown coal (lignite) by a hydrogenation process.

3. Drilling Machinery.

- a. Hungary's oil industry is suffering from a lack of drilling equipment. The machinery available is mostly of poor quality, particularly in respect of the composition of steel alloys and the lack of tools with hard metal facings of suitable quality.

SECRET-U.S.OFFICIALS ONLY

STATE	X	ARMY	X	NAVY	X	AIR	X	FBI		AEC		ORR	Ev	X		
-------	---	------	---	------	---	-----	---	-----	--	-----	--	-----	----	---	--	--

(NOTE: This distribution is made by "X". Field distribution by "Z".)

SECRET-U.S.OFFICIALS ONLY

- 2 -

- b. In 1951-52 some five or six complete drilling outfits (derricks, cranes, pumps, drills etc.) of United States make were imported. The material did not come directly from the USA, but via some Western country.

4. Crude Oil Production and Prospecting

- a. Estimates of current annual production of crude oil are as follows:

	<u>Tons per annum</u>
(1) <u>Keretje Budafa (Lispe).</u>	165,000 - 180,000

There has been very little prospecting and drilling since the departure of the Americans. The field is in the stage of exhaustion. Working is with gas and air lift.

(2) <u>Lovász.</u>	330,000 - 360,000
--------------------	-------------------

This field's production is at its peak. This was obtained by densification of the existing network of wells. Extension of the field is in progress in the direction of Tofej.

(3) <u>Mahót.</u>	30,000 - 48,000
-------------------	-----------------

Production is about the same as during the war, or a little less. The crude is very light, partly in the form of gas. Expansion is southwestwards.

(4) <u>Nagylengyel.</u>	30,000 - 50,000
-------------------------	-----------------

This is a post-war development. The crude is very heavy and bituminous. It can be used for the production of insulating material. Research into methods of its use continues, but is not particularly successful.

(5) <u>Mezőkeresztes.</u>	
---------------------------	--

The wells are believed to be north of the locality. Intensive prospecting activity is in progress farther away towards the east (Nagybajom, Biharnagybajom, Körösszegapáti, etc.). There are about 10 different fields. The Mezőkeresztes oil field is a post-war development. Prospecting was started in 1947. Oil was struck at a depth of 800-1,200 m. Production began in 1949. In 1951 there were about 50-54 wells in production. Allegedly there were 180 wells producing in 1954. It is believed that these fields may soon be exhausted, since many mistakes were made in the initial borings.

5. Possibility of Future Oil Discoveries.

The oil in the Nagylengyel area was discovered in miocene rock formations underneath pannonia strata. This was an entirely new development in Hungary. Deep borings are being made in likely areas in order to discover similar formations to those in the Nagylengyel area; it is hoped that oil may then be discovered in deep pockets in these formations.

6. Fuel Dump at Eplény (4713 N 1735 E).

a. Location.

The only fuel dump existing in Eplény was completed in 1953. It is situated

SECRET-U.S.OFFICIALS ONLY

SECRET-U.S.OFFICIALS ONLY

25X1

- 3 -

Immediately to the west of the road the railroad line Zirc-Veszprém, opposite the railroad station of Eplény. The village of Eplény lies about two kilometers north of the site. The terrain is hilly and covered with forest. The site proper is cleared woodland. About 900 m. to the east-northeast of the plant there is a high hill commanding an unrestricted view on to the storage dump.

b. Site.

- (1) The site is in the shape of a square with sides 250 m. long. One of the sides runs parallel with the road and the railroad line.
- (2) The area is surrounded by a barbed wire fence supported by concrete posts. The barbed wire is not at all dense.
- (3) At each of the four corners there is a watchtower, built of wood. The floor of the watchtowers is about 2½ m. above the ground.

c. Plant.

- (1) There are 10-20 cylindrical concrete storage tanks with diameters of 8-10 m. Half of the height of the tanks is above ground, the other half underground. The distance from tank to tank is roughly 8-12 m. The tops of the tanks are cupola shaped and painted green. Each tank is provided with steps and bannisters, both of which are painted white and can be seen from far away.
- (2) The plant has two electric pumping systems for transferring fuel from tank cars to the tanks. For loading tank cars from the dump the fuel is made to run out of the tanks by its own gravity, since the railroad line and the road are on a lower level than the dump.

d. Use of Installation.

It is believed that the installation is used only for storage. It is perhaps a reserve depot because only sporadic withdrawals of fuel are being made, although Hungarian and Russian armored units are permanently garrisoned in the Veszprém area.

e. Security.

The installation is guarded by State Security troops (AVH) who have blue facings on their uniforms. Each of the watchtowers is occupied and the fencing is lit up all night. The weak point is the hilltop at YN 219315 (AMS/GSGS 1:100,000) from where the dump could be blown up with suitable incendiary missiles.

25X1


 DDED

SECRET-U.S.OFFICIALS ONLY

SECRET-U.S.OFFICIALS ONLY

25X1

- 4 -

Legend to Sketch of Fuel Dump at EplényA. Ground Plan of Installation

1. Railroad station.
2. Small depot.
3. Large depot.
4. Trees.
5. Railroad tracks.
6. Two electric fuel-pump installations.
7. Embankment (1½ - 2 m.).
8. Second class road (leading up to level of road Veszprém-Zirc).
9. Embankment (1½ - 2 m.) leading up to level of fence.
10. Fence.
11. Watchtowers, including electric projectors.
12. Administration building, guardroom and living quarters for soldiers. Has a stack 8 m. high.
13. Smoke stack (8 m. high) enabling administration building to be heated without danger of explosion.
14. Fuel tanks.

B. Section of Storage Tank

1. Level of ground.
2. Reinforced concrete tank.
3. Cupola plate, painted green.
4. Iron stairs and bannisters leading up to top of tank.
5. Reinforcement and protection of tank with earth obtained from excavation.

Annex: Sketch of the Fuel Dump at Eplény (1 page)

SECRET-U.S.OFFICIALS ONLY

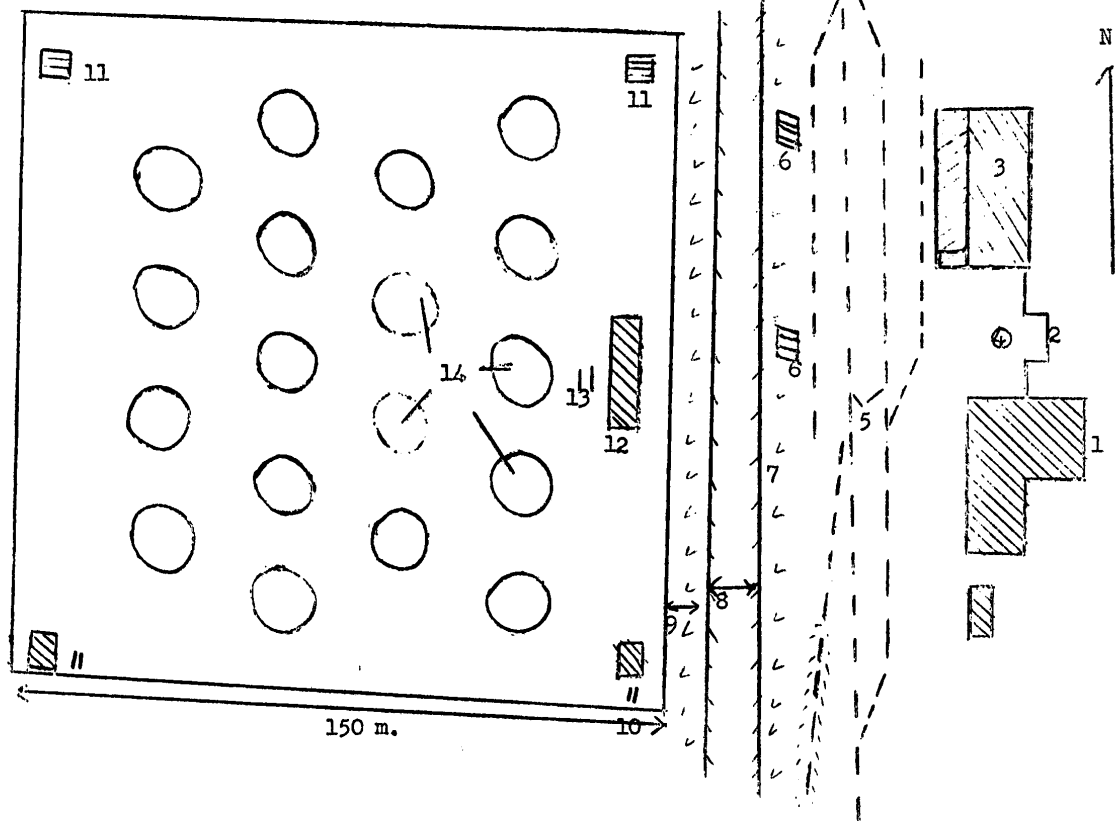
SECRET-U.S.OFFICIALS ONLY

25X1

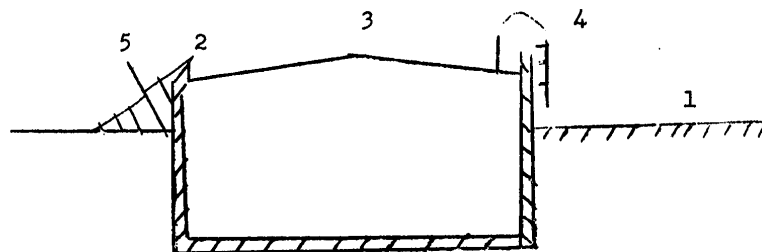
- 5 -

Annex: Sketch of Fuel Dump at Eplény

(A)



(B)



SECRET-U.S.OFFICIALS ONLY